

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY  
BOARD OF DIRECTORS  
MINUTES OF Monday, June 18, 2012 MEETING**

**Board Members Present: Mayor Scott Avedisian, Chairperson; Jerome Williams; Stephen Durkee; Maureen Martin, Anna Liebenow; and Margaret Holland McDuff.**

**Absent: Michael Lewis**

**Also Present: Charles Odingbe, Chief Executive Officer; Todd Gleason, (Outside Counsel); Ellen Mandly; and other members of RIPTA's staff and members of the public whose names are on the sign-in sheet.**

**Agenda Item 1: Vote on May 21, 2012 Meeting Minutes**

**Jerome Williams called the meeting to order at 1:34 for Board Chairman Scott Avedisian who said he would be arriving a little late. Mr. Williams asked if the Board members had an opportunity to review the minutes of the meeting held on May 21, 2012 and the Board members indicated that they had. Mr. Durkee made a motion to approve the minutes of the meeting. Ms. Holland McDuff seconded the motion and the minutes of the meetings held May 21, 2012 were unanimously approved as presented.**

## **Agenda Item 2: Rhode Island Sierra Club Presentation**

**Mr. Williams invited Abel Collins of the Rhode Island Chapter of the Sierra Club to address the Board to give the Stakeholder presentation.**

**Mr. Collins said that the Sierra Club has been interested in promoting the value of mass transit for a long time and in recent years has worked hard to prevent service cuts at RIPTA. Mr. Collins then discussed the initiatives undertaken by the Sierra club in the last year to promote RIPTA and advocate to prevent service cuts such as the rally last year at the State House and at Kennedy Plaza an organizing transit riders by partnering with the RIPTA Riders group.**

**Mr. Collins said that the Sierra Club helped form the RIPTA Riders and have assisted the group by helping with communications and provided meeting space. He said that just last week the RIPTA Riders amended their Articles of Incorporation and they will now be known as the RIPTA Riders Alliance and will be a voice at the State House as advocates for transit. He said the group has attracted many more participates and he and the Sierra Club plan to help them as much as possible and they will work hard to get the message about the need for public transit to the legislators.**

**Next he said it is good to see the Board members and Charles Odingbe at the State house lobbying for RIPTA and he feels this has**

made a difference, although it did not result in any additional funding yet. He said if the General Assembly does not fund RIPTA properly then service cuts will be inevitable and it's our job to ask the legislators to be out at any public hearings about service cuts so they can see the riders first hand and understand the pain these cuts cause. He said the Sierra Club and the RIPTA Riders Alliance will ask them directly to participate because they need to see that transit is a critical public service. He also said that he appreciates seeing ATU President Paul Harrington at the State House and feels the unions and RIPTA need to act in a united front in lobbying for transit.

Mr. Collins finished his remarks by thanking the board for their hard work and wishing them luck dealing with the budget issues.

Jerry Williams thanked Mr. Collins and the Sierra Club for their interest and support of RIPTA and mass transit.

Mr. Collins added that the RIPTA Riders Alliance and the Sierra Club have made it know to the Governor that they hope the vacant Board seat is filled with a RIPTA rider.

Maureen Martin said she appreciates how much time Abel Collins and RIPTA Riders Alliance member Don Rhodes and Paul Harrington and Charles Odimgbe and staff have spent at the State House. She remarked that lack of funding was not due to lack of trying.

### **Agenda Item 3: Public Comment**

**Mr. Williams recognized ATU President Paul Harrington who expressed disappointment that the General Assembly has come to a close and neither they, nor the Governor identified any new funding for RIPTA. He said this past session was not a total failure though because we got the word out that mass transit is funded improperly with the gas tax.**

**Mr. Harrington said that 35 people testified at the Finance hearings in support of funding for mass transit and we have developed strong relationships with groups such as the CTC lead by John Flaherty and Jerry Elmer and the Sierra Club with Abel Collins. He said maybe the timing wasn't right to address RIPTA issues.**

**He then thanked Charles Odingbe for reinstating the displayed employee discussed at recent meetings and also for ensuring that Kennedy Plaza remains clean. Finally he discussed recent employee training initiatives and said this is a giant step forward as training is important.**

**Transit advocate Almas Kalafian spoke next and said she was very disappointed that the O'Grady bill did not pass. She said CTC members Jerry Elmer and John Flaherty did a fabulous job trying to get it passed.**

**Next Ms. Kalafian complimented Mayor Avedisian on his recent radio broadcast discussing development plans for Rocky Point. She said she hopes RIPTA will add more service to Rocky Point.**

**Finally Ms. Kalafian commented on the RIde program and discussed one of her drivers who told her the routes are overbooked and drivers don't have enough time to eat lunch or go to the bathroom. She hopes the CEO will add part timers to these routes to alleviate the tight time schedules and she asked that the issue of incorporating zoned fares be considered.**

**Paul Harrington spoke again and said he and other union officials are working with Liz Harvey and Jimmy Dean on some of the problems at RIde that Ms. Kalafian discussed.**

#### **Agenda Item 4: Chief Executive Officer's Report**

**Charles Odingbe began his report by asking if the Board had any questions on the E-Team report. There were no questions.**

**Next Mr. Odingbe gave a report the ATMS project. He said that ATMS equipment is being installed in the vehicles beginning in August. Construction for the new dispatch center in the Melrose Street facility is beginning soon as well as the redesign of the redundant system. He said he is very excited about the new RIPTA Asset Management System which will be reported on shortly, and he said that the COA is**

ongoing and a draft report is expected in June and he will be reporting to the Board soon. He reminded the Board that he had emailed them the full Gap Analysis and said he will begin implementing some of the recommendations in that report such as reducing inventory.

Mr. Odimbe said the FTA Triennial review was just completed and we are only out of compliance in one area – DBE. He said this is the second strike against us regarding DBE and this is why the new created DBE/EEO position is so important. He said he is confident FTA will accept this corrective action.

Mayor Avedisian arrived at this point.

Next the CEO asked the Board to feel free to pass along any questions or comments on the new format for capital projects. The CEO asked for questions.

Mr. Durkee asked a question about clean diesel buses and Mr. Williams complimented the CEO on maintaining KPI's on the fixed route side but expressed concern on the Ride side related to MDBF and on-time performance. Mr. Odimbe responded that MDBF will improve once we get the new Ride vehicles. He explained that the issue with on-time performance is due to being chronically short on drivers. He said we are working on bringing in 15 new drivers and then 10 more after that. He said he wants the drivers trained and

ready in 5 weeks.

Ms. Liebenow asked when the COA would be completed and Mr. Odimgbe said we would have quality data by end of August, or beginning of September. He said we need to get the results of the COA to the General Assembly in time for when the reconvene.

Mr. Odimgbe then introduced Vinny Reina and asked him to give the IT presentation. Mr. Reina introduced himself and said he would be giving the RIPTA Asset Management System presentation this month because next month this project will be on the agenda for discussion and vote. Mr. Reina distributed a hard copy of his presentation to those present.

Mr. Reina began by discussing the evolution of this project and said that within the parameters of the current grant we were able to expand to an Enterprise Wide Solution (EWS) for a system-wide integration for asset management. He said this product offers the functionality requirements, process evaluations and work flows, automated data entry systems and grand funding secured. He said this product will allow us to eliminate paper and see where we are spending our resources.

Mr. Reina discussed the slide entitled All in One Box and said this product will allow for asset inventory, asset condition monitoring, fleet, facilities and work management, parts and fixed asset

management, fuel/fluid monitoring and tracking, warranty processing and 'what if' analysis.

Mr. Williams referred back to the topic of process evaluation and work flows on page two and said that it might make sense to reevaluate how we do things as we implement this project. The CEO responded that this will drive a new process for RIPTA and his hope is as the new system takes hold we will change processes if needed. He said the key objective is to use technology to drive change. He added that all the data in the system will be cleaned before it is put into the new system. Mr. Reina said that component will be the most time consuming and he also intends to make adjustments to in some areas that were not set up right at the outset in the early 2000's.

Next Mr. Reina discussed the timeline on page 4 and he read the milestone topics and dates and said the timeline was very ambitious. Mr. Reina repeated that he will bring this project before the Board for approval next month. Mr. Odimgbe stated that Mr. Reina will be coming on board as our part time Chief Information Officer and that all departments are participating in the new Asset Management System and he is very excited for implementation.

#### **Agenda Item 5: Finance Committee Report**

Jerry Williams said he would give the Finance Committee report for absent Finance Committee Chair Michael Lewis. He said the



**Committee met on June 4th to review the operating and capital budgets and he began by discussing the operating budget which he said is not very positive for FY 2013. Mr. Williams began by giving credit to Mr. Odimgbe and staff for some good news regarding the FY 2012 budget saying they had worked hard to lower the deficit to \$1 million from an original deficit of \$3.4 million. He said the \$1 million deficit means we are still not out of the woods, but the hard work by staff to lower it from the original amount certainly helped for FY 2013.**

**Next Mr. Williams listed the revenue assumptions for FY 2013 which assumed no fare increase, gas tax subsidy at \$2.2 million dollars, about a \$10,000 decrease and additional federal funds. Regarding expense assumptions there are wage increases for union and non union employees ranging from 3-3.5%, the headcount is down to 825 from 844, and health care rate increase of 7.7%. He stressed that there is no OPEB contribution to the trust fund – if RIPTA was able to make the contribution the cost would be \$6.3 million dollars. This is a huge liability that is growing each year it goes unfunded.**

**He continued saying diesel fuel is budgeted at \$3.50 a gallon against a current purchase price of \$3.39. Ms. Neira interjected that the average cumulative fuel purchase price for the year is \$3.33 and the lock in price is at \$3.27. Mr. Williams reported that the Committee has discussed reasonable lock in rates, but it is difficult to determine the low point, but plan to lock in while costs are below out budgeted per gallon price.**

**Mr. Williams reported that the Committee went over the operating budget line by line and discussed each item and he listed some of the items discussed in more detail and said the Committee requested that staff get them an overtime listing as that is still a significant issue for the Authority.**

**He said that in the past two years RIPTA has reduced expenses by \$4.5 million dollars – a tremendous reduction, but the bad news is even with all the consolidation of expenses and cost reduction efforts the projected deficit for next year is \$7.8 million dollars. When added to the total deficit for this year we are looking at a total deficit of \$8.8 million dollars. He said there is no answer for that – even if there were further consolidations or cost reductions we still won't find \$8.8 million dollars at RITPA without drastic changes. He added that he cannot support any service reductions because that is unfair to our riders. He stressed that labor and management must work together towards finding valid long-term funding for RIPTA or face the reality that RIPTA will run out of money by March 2013.**

**Mr. Williams said that today the Board must vote on the FY 2013 Operating Budget and he asked Ms. Neira to go over the Board report on same.**

**Ms. Neira said the FY 2013 budget continues to incorporate steady state fixed route operations, flexible service and paratransit. The**

**total operating expense budget is \$106.6 million and the revenue budget is \$98.8 million. The final budget reflects a deficit of \$7.8 million – down from the preliminary budget deficit of \$10 million.**

**Ms. Neira then went over some of the expense and revenue assumptions discussed earlier by Mr. Williams and the details of the fuel lock in. Mr. Odingbe stated that many of the cost savings instituted at recent months at RIPTA were one time savings and will not be repeated next year and people should not expect that we will be able to reduce the deficit much more. This is particularly frustrating since we can neither consider raising our already high fares nor do we want to cut any service. He said we need to put everything on the table in terms of finding solutions to our deficit problem.**

**Following the comments of Messrs Williams and Odingbe and Ms. Neira, Ms. Holland McDuff made a motion to approve the FY 2013 final budget as presented. Mr. Durkee seconded the motion and the budget was unanimously approved.**

**Next Lilly Picchione addressed the Board to discuss the Capital Budget for 2013 and the Capital Improvement Plan for 2014-2018. She said these will come before the Board for final approval at the July Board meeting and she requested that the Board members review the document carefully and ask any questions today or prior to the July meeting so she can make any necessary changes or edits to the final**

**document that will be presented next month.**

**Ms. Picchione then discussed some to the details in the staff report and answered questions regarding wheelchair accessibility for non revenue vehicles.**

**Ms. Neira then discussed the cash flow shortage and amendment to the capital cash replacement fund, but prior to her comments Mr. Odimgbe noted that he is aware the Board does not support borrowing but the measure to be presented by Ms. Neira is for backup plan purposes only. Ms. Neira continued saying about 1997 RIPTA created a capital replacement fund whose objective is to pay the local match on certain assets. Because it is a revolving loan fund on an annual basis we pay back whatever we borrow and the terms are set to pay back at 1% below prime. Currently the fund has about \$3.5 – \$4 million dollars and half is earmarked for local match on capital projects. The fund allows for RIPTA to borrow about \$500,000 for 60 – 90 days. Ms. Neira would like to have the ability to tap into this fund if we need to borrow enough to meet payroll with payback occurring within the 60 – 90 days. She said she cannot obtain a line of credit and this is her only option to get emergency funds. At the time the fund was established in 1997 the Director of the Department of Administration, RIPTA Board Chair, Director of Transportation and General Manager signed off. She is not certain that we need outside agency approval so has created the document today for Board approval. Ms. Neira finished by saying she has used the fund in this**

manner in the past, most recently last fall.

Mr. Williams asked if the funds were needed immediately and Ms. Neira said no. He then said he would like the Board to have more time to consider this matter before voting.

Mr. Odingbe noted that the final organizational chart is up for approval today because the headcount is aligned with the budget and also needs to be approved. He made a few more comments about the revised organizational chart and headcount and explained some of the titles such as CIO which is needed to oversee the new ATMS/Enterprise wide system.

Mr. Williams then asked for a motion then Ms. Martin made a motion to approve the organizational structure as presented. Ms. Holland McDuff seconded the motion and the motion passed unanimously.

Following the vote Ms. Holland McDuff complimented Lilly Picchione on her work on the Capital Budget. She said Ms. Picchione gave a more detailed overview at the Finance Committee and her presentation and this document was very helpful in understanding RIPTA's strategy and planning in this regard and this is much more than just a financial document.

**Agenda Item 6: Kennedy Plaza Restroom Renovations**

**Ed Scott addressed the Board to discuss the Kennedy Plaza Restroom Renovations procurement saying the RIPTA Board is requested to award a contract to Tower construction Corporation of Cranston, RI to renovate the bathrooms at a cost of \$103,070 including a 10% contingency.**

**Mr. Scott said the bathrooms at Kennedy Plaza have been open to the public for 10 years and are in desperate need of renovations. Renovations will include stainless steel toilets, urinals and epoxy floor covering which will be much easier to keep clean. He then gave a background on the RFP process and the plans for rerouting the public to other areas during construction and answered questions on same.**

**Ms. Martin expressed concern about the cost of doing this project at this time saying that maybe more utility staff should be assigned to keep the current bathroom facilities cleaned more thoroughly. The CEO responded that this was a valid point however over time it is more prudent to fix the problem permanently than spend excess dollars on manpower. Mr. Williams agreed that over time the manpower costs would exceed the cost of repairs.**

**Mr. Odimgbe said that next month the Board will hear another presentation on a 3-phase Kennedy Plaza improvement project. Ms. Martin reiterated that the timing for this is bad.**

**Following this discussion Mayor Avedisian made a motion to approve the award of this contract valued at \$103,020 to Tower Construction Corporation as recommended by staff. Mr. Durkee seconded the motion. The motion passed by a vote of 5 – 1 with Ms. Martin being the dissenting vote.**

### **Agenda Item 7: RIPTA Leadership Academy**

**Charles Odingbe presented the procurement for the new RIPTA Leadership Academy and said he is seeking Board approval to begin this program designed to enhance the leadership skills of our current executives while providing an opportunity for the next generation of leaders to acquire the necessary skills to take RIPTA to the next level of excellence.**

**Mr. Odingbe said it is his personal observation that in the past employee training and development has been lacking at RIPTA, partly due to the situation with the AGM of Human Resources position and if being vacant for so long. From a leadership perspective, this program will seek to groom our current staff at the executive and middle management levels. Mr. Odingbe then discussed some of the details of this program which has been specifically tailored to RIPTA and training its next generation of leaders.**

**Mr. Odingbe said this program was single source procurement and the total cost for 20 attendees is \$85,000 which will be funded through**

**the annual training budget.**

**The CEO answered questions regarding the application and selection process, length of the program and future classes if this pilot program is deemed a success. Following this conversation Mr. Durkee made a motion to approve the RIPTA Leadership Academy procurement as presented at a cost of \$85,000. Mayor Avedisian seconded the motion and the motion passed unanimously.**

### **Agenda Item 8: RFP 12-14 Security Camera Proposal**

**Paul Laflamme addressed the Board and discussed the procurement for RFP 12-14 Security**

**Camera Proposal saying staff requests the award of a contract to Fortress Systems to**

**provide a complete digital security camera system on our fixed route service and Paratransit**

**vehicles to improve employee and public safety while reducing insurance claims due to injury**

**and accidents. He then described some of the key features of the system and gave a brief**

**background of this important project.**

**Mr. Laflamme said the cost of the system is \$2,570,000 which includes the supply and installation of all necessary hardware and software, a 3-year parts and labor warranty and a 13% contingency.**



He then answered a few questions regarding the security camera system. Mayor Avedisian then made a motion to approve the award of the contract to Fortress Systems as recommended by staff at a cost of \$2,570,000. Ms. Martin seconded the motion and the motion passed unanimously.

**Agenda Item 9: Executive Session Pursuant to RIGL 42-46-5(a)(1) for Discussions and/or Action Related to the Job Performance, Character or Physical or Mental Health of a Person**

The Board decided not to adjourn to executive session.

**Agenda Item 10: Adjournment**

Mayor Scott Avedisian made a motion to adjourn the meeting. Ms. Holland McDuff seconded the motion and it was unanimously approved and the meeting was adjourned.

Respectfully submitted,

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Ellen M. Mandly

Recording Secretary